Approved For Release 1999/08/30 : CIA-RDP78-05256A000100040004-6

~~SECRET~~
~~Security Information~~
~~CONFIDENTIAL~~

atlg
Systems of atlg

22 December 1952

MEMORANDUM FOR: Chief, Technical Accounting Staff
Chief, Budget Division
Chief, Finance Division
Chief, Fiscal Division
Chief, Procurement and Supply Office

FROM : Deputy Comptroller

SUBJECT : Stockpile of Medical Supplies - Allotment 7201-00-230

1. Allotment Advice #274-1 dated 30 August 1952 was issued in the amount of $600,000 to cover the obligation and expenditure of vouchered funds. These funds have been made available for purposes of procuring operational medical supplies, subject to stockpiling and issue to operational projects. Replenishment of stock is to be funded by the projects requisitioning medical supplies, based on the cost of supplies issued.

2. Because the projects which will utilize the medical supplies operate from unvouchered funds and because of the replenishment stock feature, it is considered advisable to allot unvouchered funds to stockpile operations, even though a substantial portion of the purchases will be made from the [redacted] with payment effected by the Fiscal Division. Accordingly, the Budget Division is requested to withdraw the allotment of vouchered funds and reallot the $600,000 as unvouchered funds.

25X1A1d

3. The Fiscal Division is requested to reverse all obligation and expenditure transactions recorded in the allotment ledger maintained for account 7201-00-230 and transfer all documentation to the Finance Division for appropriate recording.

The Fiscal Division will adjust all charges to date resulting from the payment of supplier's invoices, or vouchers applicable to this operation and charge general ledger account 10.9 - Accounts Receivable-Unvouchered. Future disbursements of cash will be charged direct to General Ledger Account 10.9.

4. In order to properly report the cost of operational medical supplies on hand at the end of each accounting period,

Document No. 7
No Change in Class. ☐
☐ Declassified
Class. Changed To: TS S C
Auth.: HR 70-2
Date: 21 SEP 1978 By: 44

~~CONFIDENTIAL~~ ~~SECRET~~
~~Security Information~~

Approved For Release 1999/08/30 : CIA-RDP78-05256A000100040004-6

Approved For Release 1999/08/30 : CIA-RDP78-05256A000100040004-6

it has been decided to record all acquisitions and disposals in the accounts maintained by the Finance Division. Accordingly, the Finance Division is requested to establish the following general-ledger accounts for this purpose:

Stores - Medical Supplies (Dr.)
Accounts Payable (Cr.)
Inventory Cost Adjustments (Dr. or Cr.)
Costs - Materiel Issued from Stores (Dr.)

At such time as equipment and supplies are charged to "Stores" based on copies of receiving reports which have been priced, extended, and totaled by the Supply Division and transmitted to the Finance Division, the following entry will be made in the General Ledger maintained by the Finance Division

Debit: Stores - Medical Supplies
Credit: Accounts Payable

Based on payment for medical equipment and supplies by the Fiscal Division, accountability by the Finance Division for the disbursement will be established by the following entry:

Debit: Accounts Payable
Credit: Accountability to Fiscal Division
Credit: Inventory Cost Adjustments
(where applicable)

Based on payment by the Finance Division and/or accountings from employees, the following entry will be made:

Debit: Accounts Payable
Credit: Advances to Employees
or
Credit: Cash in Bank
Credit: Inventory Cost Adjustments
(where applicable)

All payments to suppliers and receipts of inventory will clear through the account titled "Accounts Payable".

Based on issues of stock priced at average cost as determined by the Supply Division, the following entry will be made:

Debit: Costs - Materiel Issued from Stores
Credit: Stores - Medical Supplies

FINANCE DIA/SS
DEC 5[illegible]
DECLASSIFIED

Approved For Release 1999/08/30 : CIA-RDP78-05256A000100040004-6

Approved For Release 1999/08/30 : CIA-RDP78-05256A000100040004-6

At such time as (1) accountability by the Finance Division for disbursements made by the Fiscal Division, and (2) payments to suppliers by the Finance Division have been established in the accounts maintained by the Finance Division, thus resulting in a debit to Accounts Payable in each instance, expenditures applicable to the Medical Supplies Allotment will be effected on Finance Division records. At month end, based on allotment ledger summaries submitted to the Fiscal Division by the Finance Division, the reciprocal accountability accounts, i.e. accounts 423 and 10.9 will be cleared for the expenditures pertaining to medical supplies acquisitions in the same manner as expenditures applicable to project costs are cleared.

Amounts equal to the cost of medical supplies issued from stores resulting in charges to "Costs - Material Issued from Stores" with offsetting credits to "Stores - Medical Supplies" will be recorded in the allotment records maintained by the Finance Division for the respective projects as "transfers". For allotment ledger purposes such amounts will be treated in the same manner as "Expenditures", thus reducing the "Unobligated Balance of Allotment" available to the project or activity to which issued. A "reverse transfer" equal to the amount of Medical Supplies issued from stores will be recorded in the Medical Supply allotment records, thus increasing the "Unobligated Balance of Allotment" available to the Medical Supply operation. The amount of transfers and reverse transfers will be specifically designated as such by appropriate code in the month-end allotment ledger summaries referred to in the preceding paragraph. Because of the automatic setoff this procedure will result in the recording of only actual expenditures through the reciprocal accountability accounts 423 and 10.9.

5. It is understood that the Stock Control Branch, P&SO has established perpetual inventory records, covering the acquisition, disposal and balance on hand, based on appropriate receiving and issuing documents. Further, that a two-digit code has been assigned to the various types of inventories, such as communications, medical, operational, administrative, etc., for purposes of control and reporting to interested offices.

Approved For Release 1999/08/30 : CIA-RDP78-05256A000100040004-6
Security Information

Approved For Release 1999/08/30 : CIA-RDP78-05256A000100040004-6

Consideration should be given to whether a separate two-digit code should be assigned within the medical inventory series by the Supply Division (Stock Control Branch) for purposes of clearly distinguishing between (1) transactions pertaining specifically to the Stockpile of Medical Supplies for operational use and (2) transactions relating to the acquisition and disposal of medical supplies acquired through the expenditure of funds made available for other purposes. All interested offices should be notified of the specific code or codes assigned to the Stockpile of Medical Supplies with cross-reference being made to the allotment code assigned to this operation covering unvouchered funds.

6. It should be recognized that the general policies and procedures outlined herein must be implemented by detailed accounting and stock control procedures. Accounting procedures, dealing with the General Ledger, Allotment Ledger, distribution to projects for the cost of supplies issued, and the processing, flow, and recording of documents applicable to the transactions described in the preceding paragraphs, should be developed by TAS in collaboration with the Finance Division and submitted for appropriate concurrences to all interested offices. Pending the release of such procedures, steps should be taken immediately to (1) withdraw the allotment of vouchered funds and reallot unvouchered funds to cover the stockpiling of medical supplies as provided in paragraph two, (2) adjust vouchered fund (Allotment and General Ledger) financial transactions as provided in paragraph three, and (3) record all transactions to date in the Allotment and General Ledger accounts maintained by the Finance Division consistent with comments contained in paragraph four, recognizing that entries relating to issues of medical supplies will have to be deferred until the detailed procedures relating thereto are completed.

Inventories applicable to this operation should be established in the accounts (stock and financial control) from copies of receiving reports. Detailed procedures for accounting purposes should be worked out by TAS in collaboration with the Finance Division and P&SO. Also, consideration should be given to the establishment in the accounts of the inventory of medical

Approved For Release 1999/08/30 : CIA-RDP78-05256A000100040004-6

Approved For Release 1999/08/30 : CIA-RDP78-05256A000100040004-6

~~SECRET~~
Security Information
CONFIDENTIAL

equipment and supplies acquired by funds other than referred to herein. TAS is requested to take the initiative in accomplishing this phase of the problem.

S/ [redacted] 25X1A9a

TAS/DVB:kd(9 December 1952)

Distribution:
1 - Chief, Budget Division
1 - Chief, Finance Division
1 - Chief, Fiscal Division
1 - Chief, Procurement and Supply Office
2 - TAS
1 - Signer's Copy

FINANCE DIVISION
DEC 58 5 13 PM '52
RECEIVED

~~SECRET~~
Security Information

-5-

Approved For Release 1999/08/30 : CIA-RDP78-05256A000100040004-6
CONFIDENTIAL